Study on upgrade of producer services cluster

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ABSTRACT

This study based on the value of social network theory, core competence and value theory, try to build the evolution path and the brand value flow theoretical model of the producer services cluster. The study found that the value promotion process of producer services cluster value is the process to upgrade the core ability of the producer services business. Knowledge acquisition, learning, knowledge application, innovation are the keys to enhance research and development capabilities enterprises in the cluster; entrepreneurial qualities, industry environment, the enterprise’s core competitive advantage, and so are important factors affecting the cluster development; The organization network synergies capability can be reasonably allocated cluster network rental, to promote and enhance brand value clustering, plays a vital role in responding quickly to market.

KEYWORDS

Producer services; Value network; Capabilities.
INTRODUCTION

Since the 1970s, producer services cluster development has become a worldwide trend. Porter believes that the manufacturing sector develops to the advanced stage, need to match the high producer services, to meet their specialized, advanced demand for production factors. Producer services tend to be in one or a few specific spatial concentration, key nodes played by "screen" function formate global city between the global economy and the local economy, exchange information energy and labor with the outside world's urban. Producer services cluster is an important network organizational form, can gather, integrate specialized, large-scale enterprise resources, adjust the relationship between enterprises from competition relationship to competing relationship, thereby enhancing the competitiveness of productive service enterprises.

Producer services clusters with cluster-dependent, embeddedness characteristics, by interaction services with enterprises of clusters, contract customer to enhance the overall image of the cluster, obtain a sustained agglomeration effect, so that enterprises in the region co-evolution. Renowned producer services in developed countries have formed a cluster, such as London's financial services industry clusters, French film and television. Beijing, Shanghai and other regions have much more influentia producer services cluster phenomena, such as Shanghai's Zhangjiang R & D services area, Waigaoqiao Logistics Services and Harbor, etc[4]. Development of producer services cluster, can be likened to "smile curve to climb." Current study about producer services cluster remain in economics, geography perspective, scholars have not researched on an upgrade path and value of producer services Clusters. This article intends to discuss a cluster of producer services to enhance the value of the path and countermeasures. The research will provide management experience for other researchers.

RELATED STUDY

Current research on producer services cluster can be divided into the following several aspects.

Feasibility study of producer services cluster formation. li Yonggang proposed formation and maintenance of the cluster brand from the perspective of learning theory, through agglomeration, competing relationship to formate the clusters brand marketing advantage among the cluster enterprises, by learning and innovative mechanisms construct regional innovation environment[6]. According to the characteristics of the five-stage model, such as the proposed regional brands nurture, combined with interaction between cluster brand, government and enterprises, can be identified the majority of domestic industrial clusters in the second phase of construction of the third stage to the middle stage, to promote clusters echelon development, give full play to the government planning, policy guidance, role of institutional constraints[5], Li daLei quantitatively studies that the existence of the leading companies in the industrial cluster, give full play to the leading role of leading companies create brand impact of cluster[3].

Formation the foundation and conditions of the producer services cluster. business innovation capacity and collaboration capacity within the producer services cluster network is a foundation of cluster development[4]. Producer services industry cluster upgrade is the cluster performance of collective behavior, is the result of all relevant subjects joint efforts within the group. Factors affecting the formation of industrial clusters upgrate must be multifaceted, such as high-quality resources, culture, location, policy, but also by the high-society relations, brand reputation, circles and other non-competitive cooperation factors[3].

Enhance the value of producer services cluster countermeasures and suggestions. If the region has formed a relatively complete international, open-market competition mechanism, have the precise market segmentation, target market capacity is abundant, so can develop service industry cluster strategy based on market-oriented. Now the reason formation cluster from the government policy guidance, the formation of clusters is a top-down government support type of producer services cluster, promotion and development of power from government intervention, the role of the market mechanism is weak[6]. If there is a strong industry cluster basement, can develop producer services cluster based on industry, agriculture industry interaction.

Previous studies found that the generation of productive service industry cluster is the inevitable outcome of economic development, is a prerequisite for producer services produced cluster brand, but also increasingly becoming an important way to enhance the value of the metropolis. Scholars have macroscopic described on producer services cluster, but lack of research on how to access to relevant resources, enhance the core competence.

Value Network theory suggests that the industrial clusters embedded value net, the enterprises not the main study object, identify the cluster as a whole, source of competitive advantage from industry cluster aggregation, re-configure the important resources within the cluster to build cluster core capabilities[6]. From the perspective of value network theory, value creation of enterprises in the cluster, on the one hand from the value chain competition of customer, suppliers, complementarity, and on the other hand, higher value from corporate with the value chain enterprises to achieve win-win.

Core competencies are outcomes of clustered organization cumulative learning, core competencies of industrial clusters are composed of core competencies within the cluster enterprises and other relevant organizations, or is integrated core competencies within the cluster of all enterprises and related organizations[8], the competition are difficult to imitate.

Social network theory is that the network business is the main socio-economic activities, not isolated, business with the outside world through a variety of "social relations' and "link" to build a basic framework of the network. Company cognitive activities to external, ability to access resources and information depends on its position in the social network.
Upgrading of enterprises is not only rising along the value chain, but also in the rise to high-end of social networks, access to high-end social relationships, trust, brand reputation. Generally occupy high network positions enterprise, typically have strong innovation, marketing, brand and other competitive advantages.

In summary, this study will construct producer services cluster evolution path and theoretical models from the value of the network theory, social network theory, the theory of core competence theory, provide producer services cluster to enhance the value of the theoretical basis and decision ideas.

**PATH OF VALUE NETWORK FORMATION OF PRODUCER SERVICES CLUSTER**

The power to enhance the value within the cluster network companies comes from innovation, advances in technology capabilities. This study will construct producer services cluster theoretical model of evolution path and value process from two dimensions of enhance the capacity and network value-added, shown in Figure 1.

![Figure 1. Producer services cluster evolution path and value stream theoretical model](image)

**Cluster company's core capabilities and value chain activities In the value creation stage**

Producer services cluster enterprise value creation process, is the process by offering products or services for customer demand. Cluster companies develop corporate strategy, and competition and cooperation within cluster competitors, strive to attract customers, understanding customer needs, developing product strategies, tailoring products or services to customers. Because of such products or services such as R & D, design, consulting and other activities are mostly knowledge-intensive products, at this stage cluster companies focus on R & D and design activities.

**Company's core capabilities and value chain activities in value delivery stage cluster**

Value delivery stage is the process shaping core values with resources, economic, cultural, business and the people themselves. Creating clusters brand image, enhancing the brand value a series of clusters of public relations activities, is a indispensable driving force of cluster brand development process. Brand marketing is more focused on cluster resource integration, location advantages. At this stage, cluster enterprises to participate in brand planning and communication value chain activities.

**Core competencies and value chain activities in the value of the integration phase**

Industrial clusters enterprises through cooperation formate the network organization, through collective action, carry out a cluster marketing, improve innovation capabilities, achieve synergies symbiotic effect. The value integration phase emphasizes collaboratively and interactively on cluster enterprises, government, industry and related intermediary organizations. businesses within a cluster rely on capital, organizational structure and system security of social network, to increase the stock of knowledge, improve to transfer and apply knowledge, so as to enhance the brand value of the cluster.

**BUILD CORE CAPACITY STRATEGY OF PRODUCER SERVICES CLUSTER**

**Innovation capacity**

Main characterization of the production services are knowledge-intensive, is a process of productive service industry learning and application knowledge, but also the process to enhance the core competitiveness. Based on the organizational learning and knowledge management process theory, clusters innovation divided into three levels, individual, networks and
clusters, innovation process including knowledge learning, application and innovative learning three aspects. Individual enterprises innovation ability come from the active learning, knowledge spillovers, research and development, clusters and networks innovation through local production networks and trust networks relationships (ethics network) acquire knowledge within the cluster, acquired externally through the global production network knowledge[12].

1. Enterprise internal knowledge transferring and learning

Internal innovation capability acquisition is internal knowledge dissemination, diffusion and application. refers to search for useful knowledge in the existing knowledge, supply a suitable manner to the appropriate knowledge learning activities, to complete the production, research and development, business activities of organization.

2 Knowledge application and innovation learning in enterprise between cluster

When producer services business collaborates, exchanges with relations Unit on the value chain, learn and digest knowledge and information in order to enhance the innovation capacity of enterprise. Application of knowledge should emphasize the stock of knowledge, absorption capacity, knowledge utilization and knowledge feedback capacity, thus form a knowledge chain within enterprises.

3 Collaborative Innovation Cluster Networks

Joseph and Rugman noted that industrial clusters would coordinate each others network interests, build cooperative network relationships, share internal and external resources, to jointly develop new products or new technology, reduce development costs and risk. Innovative symbiosis, trust and cooperation, value alliances, collaborative environment are four core elements of the cluster innovation network, jointly promote the innovation networks develop mature[13].

Based on the above analysis, the idea of producer services cluster to build innovation system shown in Figure 2.

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**Figure 2 Ideas of producer services cluster build R&D system**

**Cluster marketing capabilities**

Most of producer services products have the general characteristics of intangible, user participation, quality is difficult to detect, perishable such as service. Producer services companies need to fully understand the market demand conditions, research the target consumer group needs characteristics, and develop reasonable brand place, marketing mix, effective information communication, deliver value cluster.

Control power of the market and the impact of industrial cluster network organization exceed the sum control and influence of the individual members of the network market. The network organization can use long-term value supply affect from brand, entrepreneurship, etc., monopoly characteristics of the industrial cluster network organization providing products service was a, to improve market responsive, control the market supply and demand, thereby form a long-term brand of industrial clusters.

**Value networking interoperability**

Production service cluster network is an ecosystem, adaptive structure of this ecosystem is a net-chain structure based the value network. Production enterprises in the cluster service network management framework, formed through a network organization and get the rent[13]. With the transaction cost savings, industrial clusters will produce a series of transactions increased earnings synergies, government action should play an important guiding in the service cluster value
formation and enhance process, supporting role, associations (Chamber of Commerce) try to play an active role in communication, coordination, regional marketing and other aspects\[14]\.

1. Integration regional cultural resources, foster cultural competitiveness clusters

Enhance the value of the cluster, should play cultures embedded features. culture embedded comes from corporate culture, regional culture, national culture, and several other levels, in the process of enhancing cluster value, should consider culture as the core, strive to integrate the excellent traditional culture, foster clusters cultural force.

2. Clusters scale effect

Industry cluster network organization by expanding the scale of production of industrial clusters, can get Chamberlin rent. Specialization and cooperation of Network members for further, with the increase in output and scale, through shared network of public resources, and gradually reduce the organizational units costs of production or service, formulate scale effect.

CONCLUSION

With the development of economic globalization, more and more enterprises embedded into global value chains. Industrial clusters has become a phenomenon in the world of economic development, producer services in developed countries led to the successful development of industrial clusters in the city, has changed the city's spatial layout and functionality. Based on the value of network theory, theory and social networking capabilities such as theory, this study attempts to build a cluster of producer services brand evolution path and the theoretical model, and provide producer services cluster enhance the value of the theoretical basis and decision-making ideas.

This study investigated enhance the value of producer services cluster from the perspective of learning and ability, on the basis of constructed value enhancement model. Future research can be combined with success case studies stories, can also optimize theoretical model with characteristics of different industries, especially building capacity development strategy for clusters of tools at different stages.

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